

# AD HOC COMMITTEE ON LONG-RANGE PLANNING



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## **AD HOC COMMITTEE ON LONG-RANGE PLANNING**

During its review of County departments, the 2001-2002 San Bernardino County Grand Jury noticed a lack of long-range planning and goals by a majority of the department heads. The reason for this lack of planning by these department heads could simply be the fact that, since July 1, 2001, 29 percent, or 14 out of 48 departments have new leaders. In fact 65 percent, or 31 departments have had new department heads in the last three years. Since planning is an issue that is controlled by higher authority, meetings were requested with the individual members of the Board of Supervisors instead of with the individual department heads.

In order to facilitate the investigation across the many disciplines of the County an Ad Hoc Grand Jury Committee was formed. The make-up of the committee consisted of the five committee chairs and the Audit/Fiscal Committee.

The Audit/Fiscal Committee and the Ad Hoc Committee examined the Board of Supervisors planning for San Bernardino County. Meetings were scheduled with all five County Supervisors and questions that had been submitted in advance were asked and answers were noted. The questions submitted were a request to learn about their concerns and plans for the future of San Bernardino County as well as their Supervisorial District. Topics ranged from economics, education, health and human services, infrastructure, and services to be provided to their constituents for their safety as provided by fire and Sheriff services, including crime and detention centers. The Supervisors were asked about their priorities for the short term of one to two years, and their priorities for the long-term of three to five years.

The final report was written and approved by the joint committees. The Supervisors were sent a copy of the report, with a request to submit their written comments. As of June 18, 2002, only one Supervisor returned the report, with a cover letter stating that our comments were interesting and informative. There were no comments from the other four members. The following report is included with this note that the final exit interview was declined by the actions of the Supervisors.

## **BACKGROUND**

During the review of County departments, the 2001-2002 San Bernardino County Grand Jury noticed a lack of long-range planning and goals by many of the department heads. The reason for this lack of planning could simply be the fact that since July 1, 2001, 29 percent, or 14 out of 48 departments, have new leaders. In fact 65 percent, or 31 of the departments, have had new department heads in the last three years.

Long-range planning is one of the issues that is controlled by the County Supervisors, thus we requested meetings with the individual members of the Board of Supervisors instead of with the individual department heads. The questions submitted to the Supervisors were for the purpose of learning about their concerns and plans for the future of San Bernardino County and their Supervisorial Districts. Topics ranged from economics, education, health and human services, infrastructure, and public safety services as provided by Fire and Sheriff services, including crime and detention centers. The Supervisors were also asked what their priorities were for the short-term and for the long-term.

San Bernardino County is estimated to grow to a population of between two and three million people by the year 2020. This is America's largest county, encompassing three deserts and 37 mountain ranges and stretching from the outskirts of Los Angeles County to both the Nevada and Arizona borders, covering over 21,000 square miles.

The Maxwell School of Citizenship and Public Affairs of Syracuse University released its Government Performance Project (GPP) Report on January 29, 2002. The GPP evaluates the effectiveness of management systems and examines the role of leadership in government entities. In doing so, the GPP studied and evaluated public sector management in five management systems areas, and determined how well they are effectively integrated. The GPP did not focus primarily on performance. It also analyzed management capacity, which is the foundation for good results.

The five management criteria used by the GPP to evaluate the counties consists of: (See Exhibit A for a better understanding of criteria used)

- 1) Financial Management
- 2) Capital Management
- 3) Human Resource Management
- 4) Managing for Results
- 5) Information Technology (IT) Management

During 2001 the GPP evaluated 40 counties across the nation on the above five management criteria, using three methods: the survey, the interview, and the examination of public documents. The 40 counties were selected based on geographic location in four regions, according to the U.S. Census Bureau and revenue size. The

nine counties from California chosen were: Alameda, Contra Costa, Los Angeles, Orange, Riverside, Sacramento, San Diego, Santa Clara and San Bernardino. San Bernardino ranked 37<sup>th</sup> out of 40, with an average grade of C minus. (See Exhibit B to view the summary of the San Bernardino County grade).

Lack of goals and the turnover of County management hurt the GPP rating of the County. The County leadership is trying to learn from past mistakes. They have proposed a new County Ethics Code and are searching for a new County Administrative Officer to replace the acting interim officer. Recent scandals have hampered the recruiting process. New training for the leaders of the County in ethics and sexual harassment issues may help build confidence in the residents of the County toward their County leaders. The consensus of the visits with the five San Bernardino County Supervisors produced a feeling that a lot of planning is to be initiated. In the smaller populated areas, the incorporated cities, and open land areas, planning will be quite complex. Planning must include economic growth, industrial availabilities, educational opportunities, and a general improvement for citizens in their quality of life.

Some members of the Board of Supervisors stated that San Bernardino County has been noted as being reactive in the area of governmental affairs. Why is San Bernardino County reactive? One of the reasons is that Prop. 13 limited the County's income. The County substantially relies on Federal and State funded programs. The County needs to do more long-range planning and measurements of the needs related to County functions. The County needs to have a plan for land use that is simplified, crisp and concise. Performance measurement for County services should measure results and not just counting numbers of clients served.

The Supervisors have their own wish lists for help from the State and Federal governments. Several of them talked of short-term goals and attempts to rebuild confidence with the populace. They addressed mid-term, long-term goals and strategic planning efforts for developing competent leadership and creating a better model for the County to follow.

## **FINDINGS**

The County has a Land Use Plan that was incorporated in 1989. This Land Use Plan established a 20-year planning horizon. The General Plan is being updated, with a preliminary report due in May of 2002 and a two to three year final draft deadline. The State controls two-thirds of the County's spending by mandated programs. Most planning in the County has been for maintenance projects. A review of the recently adopted Comprehensive Economic Development Strategy that was approved on February 20, 2002 shows what type of planning this County can create.

Some of the Supervisors have a certain vision in mind. They answered some of our questions fairly well, covering them with terms like joint powers and cooperation between the County and the 24 cities. Economically speaking, joint powers are cities and the County working together. The County should be seen as a resource, interested in helping to develop the quality of life for the populace.

The County's main focus should be more proactive planning because it will eliminate some of the reactive planning required if the County is only responding to situations after problems arise. The County should have a mission statement as to what the County wants to do, and a vision statement about how the County wishes to achieve its goals.

**ECONOMICS** – The Economic Development and Public Services administrators are working on job retention and job growth for the 1.9 million new residents forecast for the next 20 years. Employment opportunities for the populace, other than the lower paying service industries such as fast food and retail stores, will need to be encouraged.

Ontario Airport is currently growing at 6.5 percent per year and can handle growth of 30 percent in the next decade. The Logistics Airport in Victorville and the San Bernardino International Airport are two local airports that also show great growth potential in the economic future of their communities, as well as the County.

The Fontana Speedway and the San Sevine Redevelopment Project represent significant growth, but their property tax base is frozen.

**INFRASTRUCTURE** – The Alameda Corridor is helping the cities of Long Beach and Los Angeles (both in Los Angeles County) and is adding to the economic importance of San Bernardino County through the Burlington Northern Santa Fe Railroad. But the growth is causing traffic snarls with the 100-car trains on the railways and added trucks on the freeways in San Bernardino County. Even though some monies have been given to develop the Alameda Corridor East, where trains are being placed under roadways in the western part of the valley, there is still a large area where bridges will have to be built over the tracks and freeways will need to be widened, all at the expense of the people of San Bernardino County.

The cost of County infrastructure development and maintenance are higher now than in past years. The one and one-half per cent gas tax for highways and roads is insufficient for the needs. The freeways will be heavily congested. Currently, there are 125,000 workers commuting to work from the High Desert down to the valley and beyond for jobs.

Also, the County's one-half cent sales tax will run out in the year 2009. The County needs to plan early and decide what to do before the year 2009.

**LAW AND JUSTICE** – The majority of the County budget, 65 to 70 percent of the monies, are used for public safety. Additionally, two-thirds of the discretionary funds are used in the public safety arena. In the area of law and justice, the County was under orders from the State Board of Corrections to relieve overcrowding in the juvenile correctional facilities. The County received support through grants to build the prospective Juvenile Hall in the High Desert, which is forthcoming by 2004. Also, additional juvenile beds are almost completed in the West Valley area at Etiwanda, with additional juvenile beds in the City of San Bernardino so that the Tent City can be removed. There are plans for a High Desert jail facility for adults on Dale Evans Parkway in Apple Valley.

Sixty percent (60%) of the Sheriff's budget is received through contracts with the cities where they perform the duties of a police force. Money from Prop. 172 funds (the one-half per cent sales tax for safety) are very much lacking this year. Estimates of the shortfall to the County are as high as \$8 million.

**FIRE SAFETY** – Many fire stations are located over a very large area. Volunteers staff some, and hourly paid fire fighters staff others. The Baker Fire Station, which handles many of the responses to accidents on Interstate 15 between the Nevada state line and near Barstow, includes volunteer prisoners. The biggest hurdle in improving the fire stations and crews in the First District is one of money. State Prop. 172 (the sales tax initiative) shortchanged the Fire Department in favor of the District Attorney, Sheriff and Probation departments.

**HEALTH CARE** – Health care resources have not kept up with the growth; there are not enough hospital beds. A concern is that a significant number of children 0 to 5 years of age are not getting adequate care. Many families are without health insurance, and sufficiently funded low cost clinics would insure that these children would at least receive basic care and receive their immunization shots. Even though these parents are working, they do not earn enough to meet all of their family's health care needs. A Supervisor noted this is not a County function, but does affect the quality of life for many families in the County. Also, more clinics could be of use to the growing elderly population. The establishment of a few more long-term care facilities would be possible.

Funding is a major problem that will have to be carefully monitored. At this time, sharing of Prop. 10 Tobacco funds may be a solution.

**LIBRARY and MUSEUM** – Both entities suffer from lack of funds. Note the study done by Providence Associates, which was commissioned by the Board of Supervisors. Cities do not have the capital for the needed daily expenses of libraries, and funds for library expansion are not being budgeted. Most funds outside of the County budget for the libraries are in the form of donations. Some services the libraries

provide, besides extended hours, are to perform marriage ceremonies such as those being done at the Montclair and Apple Valley branches.

There is now a consultant for the Museum to evaluate sites like the Adobe Monument in Rancho Cucamonga. The Adobe Monument has an old winery on the site and has hundreds of artifacts, but the building is unsafe to enter.

**HEALTH AND HUMAN SERVICES** - There has been an increase in clients receiving In-Home Supportive Services. Further increases are programmed for child abuse areas as well as senior services. The Board of Supervisors acknowledges the importance of programs such as Head Start to the development of our children, and the need to meet President Bush's Welfare-to-Work Program. Head Start was actually on probation in the County in 1999. The program was in disarray. Now, with an infusion of some \$30 million, there is improvement and a future for the program.

Dealing with the growing aging population has become a priority within the County, and a program similar to the Children's Network is needed to handle the adult aging and abuse functions. The District Attorney's office is very supportive of the caregivers for elderly people. The D.A. has a prosecuting team for Abuse of Seniors. The Visiting Nurses' Association relieves caregivers so that they can go shopping or take a break from their responsibilities for a short period of time. According to the Supervisors, the problems increase as the population continues to grow in the County. More and more grandparents are becoming caregivers of their grandchildren.

**FACILITIES** - In the area of facilities around the County there are questions of whether it is wise to continue leasing areas and buildings, or should the County begin more construction on its own behalf. Facilities for County use were planned for a Super Block with the existing County government areas. However, several of the large County departments, such as the Auditor and the Recorder's office, are on Hospitality Lane and the Sheriff's office is on Third Street, several miles away. The Health and Human Services System is off of Mill Street and, thus, you have no Super Block. The concept of establishing services and facilities where the people are located is no longer a County process. The clients of San Bernardino County are required to take transportation from place to place to receive the mental health, welfare and other services of the County.

**PLANNING** - The most significant points presented were related to the Master Plan. Questions on the development of an overall plan for the County were stymied by the funding requirement process. Some Supervisors stated that funding for projects, programs, etc., depended on monies received from the Federal and State mandates. Sometimes these monies received were not sufficient to cover all the costs for the entire program, e.g., a few years ago the State allocated monies for new judges but not enough to cover the support groups needed, such as the secretaries. Some members of the Board of Supervisors hinted that it is difficult for the County to plan ahead due to the uncertainty of monies received. Furthermore, programs like welfare, work plans,

redevelopment, elderly and youth, etc., are driven by the outside funding sources, not the County government. In many areas, County long-range planning has been reactive.

## **RECOMMENDATIONS**

- 02-147      DEVELOP A LONG-TERM MASTER PLAN OF FIVE TO TEN YEARS FOR ALL DEPARTMENTS.
- 02-148      DEVELOP SHORT-TERM PLANS AND GOALS FOR ALL DEPARTMENTS.
- 02-149      DEVELOP ALTERNATE PLANS TO SUPPORT DEPARTMENTS IN THE EVENT OF ECONOMIC DOWNTURNS.
- 02-150      DEVELOP PERFORMANCE MEASURES FOR ALL DEPARTMENTS TO ENSURE THAT THE COUNTY IS UTILIZING ALL MONIES AVAILABLE.
- 02-151      COORDINATE ALL PLANS FOR THE COUNTY TO ENSURE THAT ALL DEPARTMENTS OF THE COUNTY HAVE ADEQUATE RESOURCES TO MEET GOALS AND PLANNING OBJECTIVES.
- 02-152      STUDY OTHER COUNTIES SUCH AS MARICOPA IN ARIZONA (EXHIBIT C) AND FAIRFAX IN VIRGINIA (EXHIBIT D), AND MODEL THE TURNAROUND OF SAN BERNARDINO COUNTY AFTER THESE SUCCESSFUL COUNTIES.

- In an effort to facilitate readers' understanding of these criteria, following are the essential ones used:

## **Financial Management**

- 1. Does the government have a multi-year perspective on budgeting including meaningful revenue and expenditure estimates; long-term revenue and expenditure estimates; measures to gauge future fiscal impact of financial decisions?**
- 2. Does the government have mechanisms that preserve stability and fiscal health including: structural balance between revenues and expenditure; use of contingency planning devices, such as rainy day funds; appropriate management of long-term liabilities; appropriate use and management of debt and rational investment and cash-management policies?**
- 3. Does the government provide sufficient financial information to policy makers managers and citizens including: accurate and thorough financial reports; useful financial data; a means for communicating budgetary and financial data to citizens; timely financial reporting; the capacity to gauge the cost of delivering programs or services; a budget that is delivered on time?**
- 4. Does the government have appropriate control over financial operations including: sufficient control over expenditures; appropriate managerial flexibility; solid management of procurement including contracts?**

## **Capital Management**

- 1. Does the government conduct a thorough analysis of future needs including: a formal capital plan that coordinates and prioritizes capital activities; a multi-year linkage between operating and capital budgeting; a multi-year linkage between strategic planning and capital budgeting; sufficient data to support analysis?**
- 2. Does the government adequately monitor and evaluate projects through their implementation at both the entity-wide and agency levels?**
- 3. Does the government conduct appropriate maintenance of capital assets with sufficient data to plan maintenance adequately and sufficient funding?**

## **Human Resources**

- 1. Does the government conduct strategic analysis of present and future human resource needs (workforce planning)?**
- 2. Can the government obtain the employees it needs by hiring in a timely manner and giving managers appropriate discretion in hiring and recruiting?**
- 3. Is the government able to maintain an appropriately skilled workforce by training, retaining skilled employees, and disciplining or terminating employees without undue constraints?**
- 4. Can the government motivate employees to performance effectively by: rewarding superior performance through cash or non-cash incentives; evaluating the performance of its employees effectively; providing sufficient opportunity for employee feedback; maintaining productive labor-management relations?**
- 5. Does the government have a civil service structure that supports its ability to achieve workforce goals including: a classification system that is coherent and of appropriate size; personnel policies that permit flexibility in civil service and pay structure; and good communications of human resources policies and goals to employees?**

## **Managing for Results**

- 1. Does the government engage in results-oriented strategic planning in which: strategic objectives are identified and provide a clear purpose; government leadership effectively communicates objectives to employees; government plans are responsive to input from citizens and other stakeholders including employees; agency plans are coordinated with central government plans?**
- 2. Does the government develop indicators and evaluative data that can measure progress toward results and accomplishments and does it take steps to ensure that these data are valid and accurate?**
- 3. Do leaders and managers use results data for policy making, budgeting, management and evaluation of progress?**
- 4. Are there organizations within the government whose responsibility it is to evaluate programs or agencies, and are their conclusions utilized?**
- 5. Does government communicate the results of its activities to stakeholders?**

## **Information Technology**

- 1. Do government-wide and agency-level information technology systems provide information that adequately supports managers' needs and strategic goals?**
- 2. Do government information technology systems form a coherent architecture and are strategies in place to support present and future coherence in architecture?**
- 3. Does the government conduct meaningful multi-year technology planning including: an information technology planning process that is sufficiently centralized; providing managers appropriate input into the planning process; creating government-wide and agency IT plans?**
- 4. Is IT training adequate for end-users and technology specialists?**
- 5. Can the government evaluate and validate the extent to which information technology system benefits justify investment?**
- 6. Can the government procure the IT systems needed in a timely manner with appropriate financial controls?**
- 7. Do IT systems support the government's ability to communicate with and provide services to its citizens?**



- Population: 1,709,434
- Largest City: San Bernardino (185,401)
- Revenue: \$1,914,194,000
- County Administrative Officer: John Michaelson, appointed
- Board of Supervisors: 5 members, elected by district
- Other elected officials: Assessor, Auditor/Controller-Recorder/Clerk, District Attorney, Public Administrator-Coroner-Public Guardian-Conservator, Sheriff, Treasurer-Tax Collector

**AMERICA'S BIGGEST COUNTY**, taking in three deserts and 37 mountain ranges, and stretching from the outskirts of Los Angeles all the way to the Nevada border, San Bernardino is so physically unwieldy that it's hard to imagine anybody at one end knowing much about what's happening on the other side.

Although sheer size doesn't necessarily spread honesty too thin, over the years the county's top officials have been seized by irresistible temptations to steal from the cookie jar. In the late 1990s, the former treasurer, the former investment officer and two former chief administrators pleaded guilty to felony charges that included bribery. The county is still involved in lawsuits attempting to recover the misspent dollars. Meanwhile, a current member of the board of supervisors has been indicted on federal bribery charges and is awaiting trial.

The county leadership is busy trying to learn from the mistakes of the past, putting multiple reforms in place. The new county ethics code is stringent and well publicized; purchasing rules that had not been revised in 20 years have gone through a complete and thorough rewrite, and ethical training is more serious than in many other counties. Last year, in fact, San Bernardino was awarded the Achievement of Excellence in Procurement Award, given out by the National Purchasing Institute.

Still, no jurisdiction can recover overnight from malfeasance of this magnitude, and the attention paid to all the scandals hasn't made it easy for San Bernardino's leaders to focus on business as usual. When they do focus on it, they are finding a considerable amount to worry about. With so much of the land in non-urban areas, air pollution, water quality and species-protection laws are a constant preoccupation. Several years ago, plans for a new county hospital had to be revised, and the building's proposed site moved at a cost of \$3 million, because of an endangered sand fly.

The county workforce has a serious turnover problem. Human resources officials estimate that two-thirds of the director positions have changed hands over the past two years. The situation may have stabilized, but the damage has been done. In one five-year period, San Bernardino had seven different individuals filling the top IT position. The current one, who took the job in 2000, has focused on fixing the problems that result from a decentralized administrative structure and from inept leadership that caused departments to make expensive purchases of incompatible equipment.

### FINANCIAL MANAGEMENT C

**Positives:** Procurement reforms in place, including centralized contracting, stringent approval process; contingency fund and reserves adequate; one-time revenues earmarked for one-time expenditures; improved investment practices, with better controls; wider maturity spread; expanded reporting of investments; new debt advisory board.

**Negatives:** County has debt of \$2.7 billion, includes bonding out of unfunded pension obligation; several enterprise funds in deficit, including medical center; FY2000 revenues nearly 4 percent under budget projections; minimal long-term planning; old financial information system has limited analytic capability.

### CAPITAL MANAGEMENT C-

**Positives:** Stepped-up maintenance funding to deal with deferred needs; good project tracking, with recent facilities work delivered on time and on budget, although projects sometimes slowed down by environmental issues; pavement-management systems in use.

**Negatives:** Transportation funding runs substantially short of needs; only 46 percent of roads in good condition, with 17.3 percent in poor condition; maintenance approach generally reactive rather than proactive; facility condition assessments currently maintained only on paper; decentralized asset management creates information gaps; no long-term plan for facilities, although county plans on issuing RFP for

10-year master plan to deal with office-space needs in city of San Bernardino.

### HUMAN RESOURCES C-

**Positives:** Newly rebuilt HR team trying to reestablish employee trust; salary surveys in progress; rebuilding classification section; early efforts at central workforce planning include analysis of coming retirements and training programs to fill leadership needs; intern program with local universities and technical schools; much-needed revision of personnel rules.

**Negatives:** Heavy turnover leads to problems of inexperience in applying HR rules and following consistent practices; performance appraisals vary in timeliness and usefulness; classification system neglected in 1990s, causing backlog of 300 reclassification requests; salaries lag market; hiring can be slow; accelerating number of lawsuits filed by unions against county.

### MANAGING FOR RESULTS D

**Positives:** Workshops held last year aimed at providing input for developing priorities and agenda; pilot project for coordinated human services delivery being launched in one of county's desert communities.

**Negatives:** No countywide strategic plan; previous planning effort tarred by contracting scandal; little attention to performance audits or management analysis; scanty performance measurement, although county taking first steps.

### INFORMATION TECHNOLOGY D+

**Positives:** High-level CIO reports to chief administrative officer; emphasis on training of technology workers; new human resources management information system in place, although all capabilities not fully exploited yet; new strategic IT plan; customer-satisfaction survey helping to track needs and progress.

**Negatives:** Internal processes still paper-dependent; duplicative technology has caused major inefficiencies and created unwieldy maintenance needs; little central direction or common IT infrastructure, although county now moving toward more centralized model; revolving door in CIO office, although seemingly stabilized in past two years; weak training of end-users; Web site and GIS need lots of work; little evaluation of implemented systems.

**AVERAGE  
GRADE**

**C-**

# Maricopa County, Arizona



- Population: 3,072,149
- Largest City: Phoenix (1,321,045)
- Revenue: \$1,572,724,000
- Administrative Officer: David R. Smith, appointed
- Board of Supervisors: 5 members, elected by district
- Other elected officials: Assessor, Clerk of Court, County Attorney, Recorder, Sheriff, Treasurer

BACK IN THE MID-1990s, fast-growing Maricopa was a poster child for badly run county government—comparisons with the much-praised city of Phoenix, its metropolis, were inevitable. Many government functions were run by independent and quarrelsome elected officials. Political tension was high. Maricopa's bond ratings were falling. The health system was ailing and information technology was terrible, with incompatible systems abounding.

A solution seemed to beckon in the form of "home rule"—permission from the Arizona legislature to write a new charter, freeing the county from the iron rule of the state and allowing it to dispense with the awkward organizational structure that was making management difficult. But voters rejected the idea in 1996, and it looked as if Maricopa County would remain structured to fail.

Surprise! Over the past six years, the county has undergone a startling reformation. Under Administrative Officer David Smith and a supportive board, there has emerged a focus on team-building, a results orientation and a system of incentives and disincentives to keep spending in line. The county now awards its departments enormous freedom to make spending decisions, retain savings and offer personal rewards to employees. But if a department goes over budget, as Animal Control did last year, it's immediately placed on tight restrictions.

Employee morale has been boosted through improved training programs, tuition reimbursement, a "management school" and intense efforts to get employees and managers to "drop the loser attitude." Most of the elected officials now pride themselves on working together. The assessor, recorder and treasurer, for example, have joined forces for a one-stop "call center" to meet citizen-service requests.

There's still room for improvement in Maricopa. The county's infrastructure suffers from years of neglect, with huge property leasing costs and more than \$100 million in unmet facility-maintenance needs. And a weakening economy threatens. But the systems now in place should help Maricopa stay focused on its long-term strategic goals. "What I'm telling everyone is that we'll come out of this stronger than ever," says Smith. "We're looking at this from an aggressive posture of how we can end up being financially and programmatically a 100 percent accountable government."

## FINANCIAL MANAGEMENT A-

**Positives:** Superior financial and budgetary policies; long-term outlook; econometric models aid forecasting; revenue and expenditure estimates good, with quick adjustments when needed; monthly variance report and system of budgetary accountability keep department spending in line; incentives offered departments for responsible financial management; ample reserves; good watch on debt affordability; innovative reporting of financial data to citizens; good use of cooperative purchasing agreements; purchase card in use.

**Negatives:** County lacks cash-flow information for school and special districts for which it invests; Arizona procurement law has inhibited some innovation; formal bidding limits flexible, may be too high.

## CAPITAL MANAGEMENT B+

**Positives:** Innovative multi-use approach to flood control, with flood channels doubling as linear parks; recent focus on long-term facilities planning and preventive maintenance; active citizen participation; good project prioritization; transportation in better shape than facilities, with long-term outlook in place; regular assessment process for both facilities and roads; good coordination among departments; innovative contracting approaches; careful monthly review of project costs.

**Negatives:** Dependence on expensive leased space due to growth and years without adequate planning; some delay in planned capital projects due to budget constraints; county still faces \$100 million in unmet facility-maintenance needs.

## HUMAN RESOURCES B+

**Positives:** Impressive use of broadbanding in almost all departments; flexibility in pay rates; turnover rate down for departments covered by county compensation system; innovative vacation and sick leave plan; strong training program; new "share the savings" program permits year-end bonuses; vastly improved employee morale; excellent recruiting; exit interviews elicit candid information about management; move to more consistent performance evaluations.

**Negatives:** Departments poach on one another for employees; little entity-wide workforce planning, although departmental planning good; relatively high turnover in departments not covered by county compensation system.

## MANAGING FOR RESULTS A-

**Positives:** Strategic planning and measurement taken seriously at all levels of county government; top leadership aligns departmental plans with countywide strategic plan; extensive training in strategic planning and performance measurement; individual evaluations linked with broader objectives; budgeting and management decisions tied to results information; good use of Intranet to collect data and Internet to report performance; good use of surveys.

**Negatives:** County still looking for better ways to report results-oriented data to citizens; parts of MFR system still emerging, including data collection on employee time usage, quarterly reports and restructuring of accounting and budgeting system to focus on programs and services.

## INFORMATION TECHNOLOGY A

**Positives:** Well-designed governance structure with strong CIO allows sensible mixture of control and freedom for departments; fully funded refresh cycle for personal computers; detailed three-year IT strategic plan; outstanding GIS; emphasis on training; backbone facilitates computer training, video capabilities; robust security and virus management; solid project management; methods in place for evaluating and prioritizing projects; performance measures evaluate IT across departments; Web site allows numerous citizen transactions.

**Negatives:** County still holding out on e-procurement.

**AVERAGE  
GRADE**

**A-**

# Fairfax County, Virginia



- Population: 969,749
- Largest Census Jurisdiction: Herndon (21,655)
- Revenue: \$2,816,557,000
- County Executive: Anthony H. Griffin, appointed
- Board of Supervisors: 9 members, elected by district, plus a chairman, elected at-large
- Other elected officials: Clerk of Court, Commonwealth's Attorney, Sheriff

**MANAGERS IN FAIRFAX** love to talk about flexibility. The word creeps into their conversations on almost any aspect of their work, whether they're discussing the budget process, hiring or procurement. County Executive Anthony Griffin puts this ethos into a few clear words: "It's my job," he says, "to make sure agencies have what they need to do their jobs. I'm not prescribing how best to do it. The power of this organization is the people." Such a system might not work everywhere, but it clearly has worked in Fairfax, making the huge suburban county, across the Potomac River from Washington, D.C., one of the best-managed jurisdictions in America. The handling of money and capital projects is outstanding, and Fairfax is a national leader in the advanced use of technology for the benefit of citizens.

Each area of government reflects the strategy of decentralization. When it comes to hiring, for example, the Fairfax Department of Human Resources merely certifies applicants—individual agencies are free to determine which ones they want to interview. Similarly, departments have full authority for any purchase that costs less than \$5,000. "Everything would come to a standstill if it was centralized," one manager says.

Not all of Fairfax's experiments have gone smoothly. In accordance with its broad-based managing-for-results program, the county instituted pay-for-performance for all employees except those in the public safety field. But early data showed that managers were reluctant to impose tough grades and were rating virtually all workers as "outstanding." That system is now being retooled.

Some of the county's biggest obstacles are not of its own making. Virginia is a strict "Dillon Rule" state, with severe legislative restrictions on its localities, and among other burdens, it prohibits counties from structuring their own tax systems. With a median household income of more than \$90,000, Fairfax's residents are among the wealthiest in the entire United States, yet unlike its neighboring jurisdictions in Maryland, the county has no direct way to tax that income. So its revenue grew only modestly during the 1990s, even though the population grew by nearly 20 percent, adding pressure for new school construction and increasing already severe road congestion. Fairfax watched in relative helplessness as its neighbor counties on the Maryland side of the Potomac saw their bank accounts overflow with surpluses.

Fairfax's fiscal problems are especially severe at the moment. Sales-tax receipts—comprising the second-largest pot of revenue—are down, and last year, the legislature killed a proposal to allow an extra penny on the sales tax for education and transportation. In October, Griffin ordered 5 percent budget cuts for all departments outside public safety and health.

## FINANCIAL MANAGEMENT A-

**Positives:** County has followed 10-point program of sound financial management since 1975, successfully creating profitable, conservative investments and maintaining strict debt service levels; AAA bond rating from all three rating agencies; revenue task force meets monthly; rainy day fund contains 5 percent of general fund disbursements; at least 40 percent of annual carryover designated to the fund; agencies retain 40 percent of their savings; redesigned budget process; budget documents available to citizens on CD-ROM.

**Negatives:** Virginia's restrictive Dillon Rule keeps county from modernizing tax system; legislature refused increase in sales tax for transportation and schools.

## CAPITAL MANAGEMENT A-

**Positives:** Eight-year capital improvement program, now being redesigned to include more maintenance projects; ongoing projects reviewed in monthly meetings; replacement funds available for vehicle fleet and technology; county kept up with major maintenance

during difficult financial years in early 1990s; current backlog stands at modest \$7 million.

**Negatives:** State controls almost all road building in the region, and state budget crisis has caused delays in its transportation plan; funding cut delayed jail expansion by two years.

## HUMAN RESOURCES A-

**Positives:** Generally superior personnel policies; efficient training, discipline and termination processes; administrative support study reduced 32 job classes to six; increased salary levels approved for new hires; bonuses for superior performance; elected employee advisory council meets frequently with county executive.

**Negatives:** Pay-for-performance initiative not initially successful, diverted staff from other important efforts; state regulations bog down grievance process.

## MANAGING FOR RESULTS A-

**Positives:** Performance-measurement team includes representatives from nearly every department; cooperative relationship among departments and auditors; data collected emphasizes outcomes, not outputs; analysts verify accuracy; employee feedback resulted in annual updates to performance-measurement manual and publication of quarterly newsletter.

**Negatives:** County lacks a cohesive managing-for-results technology system; budget office must reconcile each department's data for annual reporting.

## INFORMATION TECHNOLOGY A

**Positives:** County leads nation in integrating IT into all management; projects funded within publicized IT priorities; annual revisions to IT strategic plan; new and replacement technology projects don't compete for funds; board of supervisors, county executive and line agencies use same system to communicate with constituents; GIS accessible from any county PC; custom-built training program for central IT staff; solid procurement standards maintained; IT disaster-preparedness tests conducted each year, including one without warning.

**Negatives:** Some state-mandated systems weak, causing redundant data entry.

**AVERAGE  
GRADE**

**A-**